

立法會
Legislative Council

LC Paper No. CB(1)2531/10-11
(These minutes have been seen by
the Administration)

Ref : CB1/PL/DEV/1

Panel on Development

Minutes of meeting
held on Tuesday, 29 March 2011, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Prof Hon Patrick LAU Sau-shing, SBS, JP (Chairman)
Hon LAU Wong-fat, GBM, GBS, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon Priscilla LEUNG Mei-fun
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip
Hon Tanya CHAN

Members absent : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon CHEUNG Hok-ming, GBS, JP

Public officers attending : **Agenda item V**

Mrs Carrie LAM CHENG Yuet-ngor, GBS, JP
Secretary for Development

Mr Thomas CHOW Tat-ming, JP
Permanent Secretary for Development
(Planning & Lands)

Mr Tommy YUEN Man-chung, JP
Deputy Secretary for Development
(Planning & Lands) 2

Mr LAM Siu-tong
Deputy Director of Buildings

Mr HO Kwok-hung
Assistant Director (New Buildings) 1
Buildings Department

Agenda item VI

Mrs Carrie LAM CHENG Yuet-ngor, GBS, JP
Secretary for Development

Mr Enoch LAM Tin-sing, JP
Deputy Secretary for Development (Works) 2

Mr IP Kwai-hang
Deputy Head of Civil Engineering Office
(Projects & Environmental Management)
Civil Engineering and Development Department

Mr Raymond CHENG Nim-tai
Chief Engineer / Fill Management
Civil Engineering and Development Department

Mr Daniel YANG Sin-cheng
Senior Environmental Protection Officer
(Water Policy & Science)5
Environmental Protection Department

Mr Terence TSANG Sai-wing
Senior Environmental Protection Officer
(Regional Assessment)1
Environmental Protection Department

Agenda item VII

Mrs Carrie LAM CHENG Yuet-ngor, GBS, JP
Secretary for Development

Mr Edward TO Wing-hang
Principal Assistant Secretary
(Planning & Lands)3
Development Bureau

Mr Paul PANG Tat-choi
Assistant Director/Existing Buildings 1
Buildings Department

**Attendance
by invitation**

: Agenda item IV

The Legislative Council Secretariat

Ms Pauline NG
Secretary General

Mr Jimmy Y T MA
Legal Adviser

Mrs Percy MA
Assistant Secretary General 4

Mr Andy LAU
Principal Council Secretary (Administration)

Mr Timothy TSO
Assistant Legal Adviser

Mr Matthew LOO
Chief Council Secretary

Agenda item VII

The Hong Kong Housing Society

Mr Jacky IP Kam-shing
Director (Property Management)

The Urban Renewal Authority

Mr Stephen LAM Wai-nang
Director (Works and Contracts)

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)4

Staff in attendance : Ms Sharon CHUNG
Senior Council Secretary (1)4

Mr Simon CHEUNG
Senior Council Secretary (1)9

Ms Christina SHIU
Legislative Assistant (1)4

Ms Silvia YAU
Clerical Assistant (1)4

Action

- I Confirmation of minutes**
(LC Paper No. CB(1)1605/10-11 -- Minutes of special
meeting on
7 December 2010

- LC Paper No. CB(1)1652/10-11 -- Minutes of special meeting on 23 November 2010
- LC Paper No. CB(1)1669/10-11 -- Minutes of meeting on 25 January 2011)

The minutes of the meetings held on 7 December 2010, 23 November 2010 and 25 January 2011 were confirmed.

II Information papers issued since the last meeting

- (LC Paper No. CB(1)1376/10-11(01) -- Administration's response to the letter dated 25 January 2011 from Hon LEE Wing-tat on conservation of Nam Sang Wai and related matters
- LC Paper No. CB(1)1418/10-11(01) -- Administration's paper on The 2011-2012 Land Sale Programme
- LC Paper No. CB(1)1418/10-11(02) -- Administration's paper on The 2011-2012 Land Sale Programme (Press release)
- LC Paper No. CB(1)1418/10-11(03) -- Administration's paper on the six West Rail property projects to be redesigned to meet new building design requirements
- LC Papers No. -- Issues raised at the meeting between Legislative Council Members and Kwun Tong District Council members on 13 May 2010 relating to subdivision of flat units
CB(1)1608/10-11(01),(02) and (03)

- LC Paper No. CB(1)1608/10-11(04) -- Issues raised at the meeting between Legislative Council Members and Eastern District Council members on 9 December 2010 relating to relocation of public and private facilities to Chai Wan District
- LC Paper No. CB(1)1648/10-11(01) -- Administration's paper on the funding proposal for "Procurement of One Set of Large Format Digital Aerial Camera System"
- LC Paper No. CB(1)1690/10-11(01) -- Issues raised at the meeting between Legislative Council Members and Heung Yee Kuk members on 20 January 2011 relating to review of section 12 (c) of Lands Resumption Ordinance and land use planning for the land to be released from the Frontier Closed Area)

2. Members noted that the above information papers had been issued since the meeting on 22 February 2011.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1668/10-11(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1668/10-11(02) -- List of follow-up actions)

3. Members agreed that the following items be discussed at the regular meeting scheduled for 20 April 2011 at 2:30 pm, and the meeting be extended to end at 5:30 pm --

- (a) PWP Item No. 3400IO -- Transformation of the former police married quarters on Hollywood Road into a creative industries landmark;
- (b) Purchase and conversion of industrial buildings for Water Supplies Department premises;
- (c) Progress report on the Kai Tak Development and funding proposals for the (i) bio-remediation works of the Kai Tak approach channel, (ii) stage 2 infrastructure works at the north apron and (iii) the reprovisioning of radar on the top of the cruise terminal building; and
- (d) Development of Greening Master Plans for the New Territories.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, item (d) above was replaced by "Revitalization of Industrial Buildings -- An Update and Mid-term Review". A new item on "160 CD -- Happy Valley Underground Stormwater Storage Scheme" was added to the agenda at the request by some members.)

IV Proposed amendments to Administrative Instructions for Regulating Admittance and Conduct of Persons (Cap. 382 sub. leg. A) for the Legislative Council Complex at Tamar

(LC Paper No. CB(1)1668/10-11(03) -- Paper on Proposed amendments to Administrative Instructions for Regulating Admittance and Conduct of Persons (Cap. 382 sub. leg. A) for the Legislative Council Complex at Tamar prepared by the Legislative Council Secretariat))

4. At the invitation of the Chairman, Secretary General of the Legislative Council ("SG") explained that provisions for regulating

admittance to and conduct of persons within the precincts of the Chamber of Legislative Council ("LegCo") were provided under the Administrative Instructions for Regulating Admittance and Conduct of Persons (Cap. 382 sub. leg. A) ("AIs") issued by the President of LegCo under section 8 of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382). It was necessary to amend AIs for the relocation of LegCo to the new Complex at Tamar. The LegCo Secretariat had conducted a review and recommended making minor and technical amendments to AIs. She then briefed members on the following major proposed amendments set out in the paper, which were considered and endorsed by The Legislative Council Commission ("the Commission") in December 2010 --

- (a) The current definition of "Building" under section 1 of AIs in the context of other provisions of AIs could be interpreted to refer to the LegCo Building on 8 Jackson Road. Amendment to the definition was therefore necessary for the relocation of LegCo to the new Complex at Tamar. The present proposal was to amend the definition of "Building" to mean "*the building or premises in which the Chamber is situated marked as such on the plan*". This would provide the flexibility that AIs would apply to any place where LegCo was situated at any moment in time.
- (b) To bring the definition of "precincts of the Chamber" in Cap. 382 in line with that in AIs, the definition of the "plan" in the present AIs would be revised to mean: "*(a) a plan of the Building; or (b) a plan of the precincts of the Chamber, marked and signed by the Clerk and deposited in the office of the Clerk*".
- (c) To obviate the need for amending the AIs in case of changes in usage of facilities in future, the use of general terms, i.e. "areas reserved for Members" and "areas reserved for representatives of the press, radio and television" were proposed to replace the references to specific facilities in section 4 and section 14 of AIs.
- (d) To reflect technological advance, technical amendments were also proposed to section 9 of AIs to replace the term "tape recorders and cameras" by "audio or video recording devices or cameras", and to section 15 to prohibit video making and the

use of video lighting during a sitting of the Council or a committee except under authorization.

5. Mr WONG Kwok-hing pointed out that at present, the authority to manage the passageway adjoining the western side of the LegCo Building was not clear. He asked whether the issue would be addressed in the proposed amendments to AIs.

6. In respect of management of the open space in the vicinity of LegCo Complex, SG said that the two open space areas under the management of LegCo (i.e. LegCo Square and LegCo Garden as shown in Appendix I to the paper) would be included in the plan signed by the Clerk to LegCo and hence covered under the definition of "precincts of the Chamber" during meetings days. She assured members that there would be no grey areas between the LegCo and the Administration in the management of open space in the vicinity of LegCo Complex. While the LegCo Square and LegCo Garden would be covered by the term "precinct of the Chamber" during meetings days, the Commission would issue administrative guidelines for the management of these two areas during non-meeting days. The LegCo Secretariat would make reference to past experience in drawing up the guidelines to facilitate staff in carrying out their duties to ensure proper management of the areas.

7. Mr James TO considered that adopting the concept of a "plan" in defining the location of "Building" in the revised AIs was a feasible approach. He opined that the approach could be reviewed in the light of operation of the revised AIs.

8. In response to Mr Paul TSE's enquiry about the setting up of "demonstration areas" for use by the public in the LegCo Complex, SG replied that there would be three proposed "demonstration areas" in the LegCo Complex, i.e. a designated covered area outside the office of the Complaints Division of the LegCo Secretariat in the Office Block, a designated covered area next to the Members' Entrance of the Council Block, and a designated open area in the LegCo Square. She said that in order to make the "demonstration areas" blend well with the surrounding environment, the LegCo Secretariat was exploring the availability of mills barriers with better design for use in the proposed areas. She further informed members that the Commission would consider the security arrangements for the LegCo Complex in May 2011 and undertook to provide the locations of the "demonstration areas" for members' reference after the Commission had given its endorsement.

9. Mr WONG Yung-kan expressed concern about possible damage to the plants in the vicinity of the "demonstration area" in the LegCo Square and enquired about the liability of persons causing the damage.

10. SG said that the "demonstration area" in the LegCo Square would be concrete-paved, while trees and plants would be planted in the nearby areas. Besides, there would be an elevated area next to the "demonstration area" where the flagpoles would be placed. She took note of Mr WONG's concern about possible damage to the property in the LegCo Square caused by activities in the "demonstration area" and undertook to reflect it to the Commission. As regards liability of persons who had caused damage to the plants in the LegCo Complex, Legal Adviser said that they might be legally liable for the damage caused to property, including trees grown by the Commission, and the Secretariat might refer cases of suspected criminal damage to the Police if there was sufficient evidence which justified doing so.

11. The Chairman concluded that the Panel supported the proposed amendments to AIs.

(As representatives of the Administration for agenda item V had not yet arrived, members agreed to suspend the meeting for 15 minutes. The meeting resumed at 3:05 pm.)

V Practice Notes for implementing the policy to foster a quality and sustainable built environment

(LC Paper No. CB(1)1668/10-11(04) -- Administration's paper on measures to foster a quality and sustainable built environment

LC Paper No. CB(1)1668/10-11(05) -- Paper on measures to foster a quality and sustainable built environment prepared by the Legislative Council Secretariat (Updated background brief))

12. The Secretary for Development ("SDEV") briefed members on the latest progress of the implementation of the Administration's measures to

enhance the design standard of new buildings to foster a quality and sustainable built environment. She said that the measures announced by the Chief Executive ("CE") in his 2010-2011 Policy Address covered three major areas, namely sustainable building design requirements, gross floor area ("GFA") concessions, and energy efficiency of buildings. She advised that the Buildings Department ("BD") had worked out new or revised practice notes for implementing the measures. After consultation with the stakeholders in the building industry, the finalized practice notes were promulgated on 31 January 2011 and would take effect on 1 April 2011. SDEV added that BD had received a large number of suggestions and comments from the building industry on the draft practice notes during the process of consultation, including requests to defer the implementation of the new policy. Taking into account the practical concerns expressed, BD had refined the draft practice notes but the Administration had not acceded to the request to defer the effective date.

13. SDEV stressed that the refinements were technical in nature and the finalized practice notes would adhere strictly to the policy objectives for fostering a quality and sustainable built environment. One example of the refinements was the amendment to the requirement concerning the submission of the result of the Building Environmental Assessment Method ("BEAM") Plus Assessment of a building conferred by the Hong Kong Green Building Council ("HKGBC"). The Administration's original proposal was to require the submission of BEAM Plus Provisional Assessment result at the time when the general building plan of a building was submitted to the Building Authority ("BA") for approval. During the consultation, there were views from the building industry that as the design of many features relating to energy efficiency of a building was only at a preliminary stage when the general building plan was ready for submission to BA, it would be premature to seek BEAM Plus Provisional Assessment at the building plan submission stage. Hence, BD had refined the relevant practice notes to stipulate that the authorized person for the building project would only be required to confirm that the project had been registered for assessment at the time of submitting the building plan, and the result of the BEAM Plus Provisional Assessment certification might be submitted at the time of application for BA's consent to commence the building works for the superstructure.

14. Regarding the recommendation of the Council for Sustainable Development to enhance the disclosure of information relating to GFA concessions in the sale brochures of uncompleted first-hand private residential developments, SDEV advised that the initiative was to be taken

forward by the Transport and Housing Bureau ("THB") which had set up the Steering Committee on the Regulation of the Sale of First-hand Residential Properties by Legislation ("the Steering Committee") to follow up the issue and other matters pertaining to the regulation of the sale of first-hand properties by legislation. Before the enactment of the new legislation, as an interim measure, BD would continue with its current practice of imposing a condition to require information in relation to GFA concessions of green features to be included in the sale brochures when granting GFA concessions under the Buildings Ordinance (Cap. 123). BD would revise the relevant practice note to reflect the requirement. On the other hand, BD would continue to publish GFA concession breakdown for newly completed buildings.

Re-submission of building plans which were rejected before 1 April 2011

15. Mr LEE Wing-tat expressed grave concern about the Administration's arrangements to allow developers to resubmit building plans, which had been submitted before 31 March 2011 but subsequently rejected by BA, within six months upon rejection of the original plans; and to process the revised plans under the current GFA concession policy. He considered the arrangements tantamount to providing developers with the last opportunity to make profits from the current GFA concession policy. Referring to the BD's statistics, he noted that the number of building plans submitted for BA's approval had increased from an average of about 40 per month to 92 in November 2010, 134 in December 2010 and 109 in January 2011, indicating that developers were rushing "to board the last train". If these building plans were disapproved by BD and without the Administration's arrangements, the developers concerned would suffer great financial loss due to the reduced GFA concessions under the new policy. Officers in BD would be therefore under immense pressure when processing these or re-submitted building plans. He urged BD to uphold existing rules and regulations in scrutinizing the building plans and carry out its work in a professional and fair manner.

16. SDEV said that the Administration recognized the need to provide sufficient time for the building industry to make necessary preparation for a major change in the GFA concession policy. Since developers were aware of the imminent change in the policy, their actions in submitting building plans before the new policy took effect were understandable. After announcement of the implementation of the new GFA concession policy, BA had issued a letter to advise authorized persons that proofs of ownership or realistic prospect of control of the sites concerned had to be provided with

the applications for approval of building plans. BA had been strictly applying this requirement in accepting applications to prevent any possible abuse. Although the number of building plans submitted for BA's approval had increased over the past few months, the number of plans rejected had also increased. There were 81 and 102 rejected applications respectively in January and February 2011. While BD had received some applications where the ownership of the site concerned had not been confirmed in the first couple of months after announcement of the new policy, the number of such cases had decreased in recent months. On the arrangements to allow developers to resubmit the building plans and process the plans under the existing GFA concession policy, SDEV explained that they were to address the building industry's concern about disapproval of plans, such as requirements from other departments which might have implications resulting in disapproval of the plan, due to unforeseeable reasons. Given the statutory deadline of 60 days for consideration of a plan, such submissions would normally have to be disapproved first, and the developer or their authorised person would be requested to address the departmental comments. Such disapproval of building plans might not be related to the GFA concessions at all. Hence, it would be unfair to subject such plans submitted before 1 April 2011 to the new policy. She assured members that notwithstanding that the workload of BD would increase with implementation of the new policy and the arrangement allowing the resubmission of building plans, officers of BD would discharge their duties with conscientiousness and professionalism.

17. Mr Alan LEONG asked about the estimated number of building plans which had been submitted before 31 March 2011 but rejected by BA and then expected to be re-submitted within the six-month period. SDEV said that while she did not envisage developers would abuse the arrangement on re-submission of building plans, it would be difficult to provide an estimated number of re-submission cases. The Administration could provide regular reports on the statistics on the resubmission of building plans in due course. Deputy Director of Buildings ("DD of B") added that developers were allowed to resubmit revised building plans, once only, within six months upon rejection of the original plans for processing under the current GFA concession policy. It should be noted that a resubmitted plan must respond to the comments made by concerned departments on its first submission; otherwise, it would not be regarded as a resubmission.

GFA concessions for car parking spaces

18. Mr LEE Wing-tat noted the original proposal of the Administration was to grant 100% GFA concessions for car parks if they were provided underground and were "electric-vehicle ("EV") charging-enabling", and exceptions would only be considered where it could be proven that it was technically infeasible to construct car parks underground due to site constraints or where an above-ground car park posed no adverse environmental or visual impact to its surrounding areas. However, he opined that the revised interpretation of an "underground car park" provided in Annex D to the Administration's paper would widen the scope of exception and the criteria for granting the exceptions might be subject to arbitrary judgement of BD. He also queried the need for providing car parking spaces, hence GFA concessions for the facility, in residential developments located above railway stations.

19. In response, SDEV assured members that there would be no room for making arbitrary judgement on the granting of GFA concessions. BD had put in place a mechanism for consideration of GFA concessions for car park, and where necessary the participation of other relevant departments and outside experts would be involved in the process. SDEV added that concerns about underground car parks had been raised, such as the impact of excavation on production of fill materials and the feasibility of constructing the facility in sloping sites. BA would exercise judgement carefully in considering GFA concessions for special circumstances. As regards the provision of car parking spaces in private industrial projects, she advised that a review was being conducted by THB. Upon completion of the review, the Administration would revise the standard of car parking spaces in the Hong Kong Planning Standards and Guidelines. The Development Bureau ("DEVB") was working closely with THB on the subject.

20. In response to Mr Alan LEONG's enquiry, SDEV confirmed that in order to obtain GFA concessions for a car park, the parking space therein had to be EV charging-enabling with the infrastructure for future installation of standard charging facilities.

GFA concessions for environmentally friendly features

21. On the list of green and amenity features that were subject to the 10% cap on GFA concessions as shown in Annex E to the Administration's paper, Mr Albert CHAN expressed concern about the criteria adopted for granting different levels of GFA concessions for the features. He enquired

whether there were rules governing the distribution of the 10% cap among various features and urged the Administration to disclose the relevant information in this regard.

22. SDEV advised that information about the levels of GFA concessions for respective green and amenity features had been given in previous papers provided to the Panel. For example, while the current GFA concession for recreational facilities in residential developments was 5% across-the-board, they would be subject to a cap with sliding scale from 2.5% to 5% under the new measures depending on the scale of the project. Moreover, the GFA concessions for balconies and utility platforms would be reduced by 50%. She assured members that there were clear guidelines in place on the granting of GFA concessions. As for sites where there were physical constraints, while flexibility would be allowed, a mechanism had been set up to ensure that special cases would be handled in a fair and objective manner.

23. Ms Cyd HO expressed support for implementing the new measures to foster a quality and sustainable built environment in Hong Kong. She commented that the current policy on GFA concessions was objectionable because such concessions had not only resulted in loss in public revenue but also produced negative impact on the environment, including creating heat island effect and poor ventilation. Referring to the list of environmental friendly building features (including wing walls, wind catchers and funnels, etc. in paragraph 10 of the Administration's paper) which would not add to the building height or building bulk and would therefore be excluded from the 10% cap of GFA concessions, she asked if the Administration would consider making the provision of such features a compulsory requirement for new buildings to improve the built environment in order to benefit residents.

24. SDEV disagreed with Ms HO's comment that the granting of GFA concessions had resulted in loss in public revenue. She said that as developers were aware of the concessions to be granted under prevailing policies, bids for land auctions and premiums paid for lease modifications should have reflected the value of the concessions. She said that the result of the auction for the Government lot at Inverness Road, which was conducted after the announcement of the new policy on GFA concessions, supported what she said.

25. As regards the suggestion of making certain environmentally friendly features mandatory, SDEV said that this could be contemplated

with the necessary policy support through a public engagement process and introduction of necessary legislation. She gave the example that in support of the Environment Bureau's measure to introduce waste separation and collection systems in residential buildings, BA had offered GFA concessions for Refuse Storage and Material Recovery Rooms in buildings initially but this was subsequently made a mandatory requirement, but still eligible for GFA concession. This had demonstrated the Administration's commitment in introducing green facilities in buildings. She added that in many overseas jurisdictions, developers were encouraged to provide environmental features in buildings through incentives, such as the granting of GFA concessions.

26. Ms Cyd HO opined that provision of incentives alone would not be effective in encouraging developers to provide environmentally friendly features in buildings. Since developers in undertaking redevelopment of old buildings would often maximize the use of plot ratio to reach the allowable ceiling, thus increasing the building height and building bulk and adversely affecting the environment of the surrounding areas, it would be necessary to make environmentally friendly features that would not increase the building height or building bulk mandatory requirements in such projects. She suggested that should the concerned developer fail to provide environmentally friendly features in a redevelopment project, the Administration should reduce the plot ratio allowed for the project.

27. In response, SDEV advised that plot ratios of buildings and restrictions on uses of sites were worked out in accordance with decisions of the Town Planning Board which were made in accordance with relevant provisions in the law.

28. Noting that developers would need to provide quantitative assessment of the environmental achievement to demonstrate the environmentally friendly features could serve their respective purposes and were genuinely beneficial to the community before BD would consider providing GFA concessions to such features, Mr Alan ALEONG asked about the criteria on which the Administration would evaluate such assessment.

29. DD of B replied that concerned departments with the relevant professional expertise would scrutinize the quantitative assessment of the features. If the required expertise was not available within the Administration, the Building Committee of BD with non-Government experts from the relevant fields would be consulted. He assured that BA

would take in consideration the Committee's comments before granting any GFA concessions.

Submission of BEAM Plus Assessment

30. Mr LEE Wing-tat noted that under the new measures, it would be a prerequisite for new buildings to obtain certification by BEAM Plus Assessment conferred by HKGBC in order to be eligible for GFA concessions in the buildings. He enquired about the amount or rate of energy consumption saved under the various BEAM Plus Assessment gradings (i.e. Platinum, Gold, Silver and Bronze) in comparison with buildings not graded.

31. DD of B undertook to provide the requested information after the meeting. SDEV advised that the Administration's action to make BEAM Plus Assessment certification a prerequisite for granting GFA concessions had been commended by the green building councils of other countries as an effective measure in promoting building energy efficiency. She added that HKGBC had contributed a lot in establishing the certification programme and had plans to promote the business case of the programme through demonstration of the substantive benefits gained from reduction in energy consumption under the programme.

(Post-meeting note: Supplementary information about BEAM Plus Assessment gradings provided by the Administration was circulated to members on 15 June 2011 vide LC Paper No. CB(1)2469/10-11(01)).

Disclosure of information on GFA concessions

32. With regard to the Administration's plan to require inclusion of relevant information (including breakdown of GFA concessions obtained for various green and amenity features) in the sales brochures of uncompleted first-hand private residential developments, Mr Albert CHAN urged the Administration to enhance the transparency of individual building plans approved by BA and related information, through means such as posting the information on BD's website. Referring to his experience in handling disputes over usage of areas in developments between the property owners and developers, he said that such information was hardly accessible because it was usually classified by the Administration as internal or privileged documents. He held the view that such information, not limited

to details about GFA concessions granted, should be made easily accessible to potential property buyers.

33. SDEV said that DEVB was working closely with THB, which was responsible for the work on enhancing the disclosure of information in the sales brochures of uncompleted first-hand private residential developments. She re-iterated that the Steering Committee was discussing issues pertaining to the regulation of the sale of first-hand properties by legislation. Before the enactment of the new legislation, BD would continue with its current practice of imposing a condition to require information in relation to GFA concessions of the green features to be included in the sales brochures when granting GFA concessions. She added that BD required that detailed breakdown of all GFA concessions granted be shown on building plans for all developments in respect of which an application for occupation was submitted on or after 1 September 2010. BD would publish the summary of such information on its website upon completion of the developments. As regards individual building plans approved by BA, the copies could be purchased at the office of BD.

Other issues

34. Mr WONG Kwok-hing expressed support for the Administration's new measures to foster a quality and sustainable built environment. Taking the view that the use of solar energy in buildings should be promoted, he enquired about the Administration's measures to encourage the adoption of building designs to facilitate the use of solar energy.

35. DD of B advised that under the Minor Works Control System, which had been implemented since 31 December 2010, the statutory application procedures for carrying out specified minor works, including the erection of supporting structures for solar water heating systems, had been simplified. Moreover, to encourage reduction in energy consumption, GFA concessions were granted for solar energy facilities in buildings.

36. Mr WONG Kwok-hing expressed concerns about the "wall effect" created by large building bulks and maintenance problems of common sewers and water pipes embedded in the exterior walls of these buildings arising from the poor building design. He called on the Administration to take action to rectify such poor building design.

37. DD of B responded that under the new measures, there were requirements for building separation and permeability for improvement in

air ventilation and to mitigate heat island effect and "wall effect" of buildings. Depending on the site area and building height, provision of different levels of permeability would be required for sites not less than two hectares and buildings with continuous façade length not less than 60 metres. He agreed that embedded sewers and water pipes had caused problems in maintenance. BD had issued practice notes advising building professionals to avoid building designs using embedded sewers and water pipes.

38. Mr WONG Kwok-hing re-iterated that it was necessary for the Administration to regulate the use of pipe ducts in buildings. Otherwise, flat owners would face great troubles in pipe maintenance when such buildings became aged.

VI PWP Item No. 5737CL -- Dredging, management and capping of contaminated sediment disposal facility to the south of The Brothers

(LC Paper No. CB(1)1668/10-11(06) -- Administration's paper on 5737CL -- Dredging, management and capping of contaminated sediment disposal facility to the south of The Brothers)

39. Deputy Secretary for Development (Works) 2 ("DS/DEV(Works)2") briefed members on the background on Public Works Project Item No. 5737CL -- Dredging, management and capping of contaminated sediment disposal facility to the south of The Brothers. He advised that since 1992 a contaminated sediment disposal facility had been provided at the east of Sha Chau ("the ESC facility") for disposal of contaminated sediments generated by infrastructure projects and maintenance dredging of the harbour fairway, rivers and drainage channels ("maintenance dredging activities"). The available capacity at the ESC facility would be inadequate to meet the forecast disposal demand. If a new disposal facility was not provided in time, major infrastructure developments as well as the regular fairway/river/drainage maintenance works would be jeopardized. The Administration proposed to set up a new disposal facility at an area to the south of The Brothers ("the SB facility"), which was the only remaining place within the territory found suitable for the purpose meeting environmental, engineering and planning requirements. The SB facility would comprise two mud pits in the seabed with a capacity to receive about

5 million cubic metres of contaminated sediments. Subject to funding approval by the Legislative Council, construction of the SB facility would start in late 2011 to meet forecast disposal demand up to 2016. In the meantime, the Administration would study other disposal methods in lieu of mud pits to manage contaminated sediments generated from infrastructure projects and maintenance dredging activities.

40. With the aid of a powerpoint presentation, Chief Engineer (Fill Management)/Civil Engineering and Development Department ("Chief Engineer (Fill Management)/CEDD") briefed members on the design for the operation of the SB facility and the environmental monitoring data concerning operation of the ESC facility.

(Post-meeting note: The powerpoint presentation on PWP Item No. 5737CL (Chinese version only) was circulated to members on 30 March 2011 vide LegCo Paper No. CB(1) 1765/10-11(01)).

Consultation with the fisheries industry

41. Mr WONG Yung-kan expressed grave concern about insufficient consultation conducted by the Administration with the fisheries industry on the environmental impact of the construction and provision of the SB facility. He expressed dissatisfaction that the Administration had not consulted the Tuen Mun District Council, the Tsuen Wan District Council, and fishermen groups in Ma Wan on the proposal. He also considered it inadequate for the Administration to have only consulted a subcommittee under the Islands District Council and two subcommittees of the Advisory Committee on Agriculture and Fisheries. He further noted that many views expressed by the fisheries sector in these committees had not been taken by the Administration.

42. In response, DS/DEV(Works)2 stressed that the Administration had been maintaining dialogue with the fisheries industry on the project. The Administration had discussed the subject with the Aquaculture Fisheries Subcommittee and the Capture Fisheries Subcommittee of the Advisory Committee on Agriculture and Fisheries since June/July 2010, and after receiving further information on the environmental issues, the two subcommittees had not raised any further comments. In addition, the Administration had explained the operation of the proposed facility to 26 fishermen organizations, including the disposal methodology which would involve the placing of a three-metre capping layer of clean mud on top of the filled mud pits to seal off the contaminated sediments in order to mitigate

possible adverse environmental impacts. During the construction and operation period of the SB facility, the Administration would implement an Environmental Monitoring and Audit ("EM&A") programme, with similar measures as the one under implementation for the ESC facility, to collect and monitor environmental data at the SB facility on a regular basis. A liaison group with members from various sectors (including the fisheries industry) would be set up to monitor the implementation of the SB facility and the EM&A results, which would also be posted at the internet for public inspection. If there were any abnormalities in the EM&A results, appropriate measures would be taken, including temporary suspension of the construction and dumping activities at the facility. DS/DEV(Works)2 added that, since the operation of the ESC facility in 1992, the EM&A results had showed that the contaminated sediment disposal and relevant activities at the facility had not induced any unacceptable impacts on the nearby environment and ecology.

43. SDEV supplemented that the Administration would continue to communicate with the fisheries industry and fishermen groups on matters relating to the SB facility. She welcomed suggestions from members on the target organizations.

Compensation to fishermen affected by the project

44. Mr WONG Yung-kan pointed out that the SB facility would have adverse impacts on the water quality and marine ecology in Northwest New Territories including Ma Wan. He queried the compensation arrangements for members of the fisheries industry affected by the project. He further opined that the estimated amount of ex-gratia allowance ("EGA") of \$4.126 million to fishermen affected by the project was far from sufficient, taking into consideration that there were hundreds of trawlers operating near SB. He urged the Administration to review the current EGA mechanism.

45. DS/DEV(Works)2 advised that, in order to deal with the possible economic loss of fishermen caused by the project, in addition to the existing ex-gratia allowance mechanism, the Administration would appoint an independent panel of experts to give advice on potential fisheries impact throughout the lifespan of the SB facility. The independent panel would conduct independent investigations on fish kill incidents when reported by mariculturists. Should the panel establish that the fish kill was caused by the SB facility, the Administration would follow up with the compensation.

46. As regards the ex-gratia allowance, DS/DEV(Works)2 explained that the estimated amount had been based on three years' fish catch with reference to the area of the fishing ground that would possibly be affected temporarily by the SB facility.

47. SDEV supplemented that in response to concern on the level of ex-gratia allowance for fishermen affected by public works projects expressed by Mr WONG Yung-kan during the Legislative Council's debate on the 2010-2011 Policy Address, the Food and Health Bureau had commenced a review on the subject in collaboration with the relevant bureaux and departments. Results of the review would be available soon and the fisheries industry would be consulted. Should a decision be made to increase the level of ex-gratia allowance for fishermen affected by public works projects, funds would be made available to cover the required expenses.

48. Mr WONG Yun-kan expressed dissatisfaction that while the Administration had previously undertaken to tackle the problems associated with sediments at the fish culture zones including Sha Tau Kok and Yim Tin Tsai by disposing of the sediments at the ESC facility, no action had been taken due to insufficient capacity at the ESC facility. He pointed out that the Islands District Council's proposal to establish a monitoring group on the operation of the SB facility was an evidence of the lack of confidence of the fisheries industry in the work of the Administration. Moreover, Mr WONG said that he had no confidence in the proposed panel of experts for assessing the potential fisheries impact of the SB facility as similar assessments conducted in fisheries areas in the vicinity of the construction site of the Hong Kong Disneyland years ago had failed to protect the interest of fisheries groups operating near the site.

49. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD advised that if construction of the SB facility could commence in November 2011, the Administration would be able to sort out the necessary disposal capacity for implementing the works for tackling the problems associated with the sediments at Sha Tau Kok and Yim Tin Tsai in the second half of 2012.

Impact of the operation of the proposed facility on environment and ecology

50. Mr WONG Kwok-hing enquired whether experience from the operation of management practices and the EM&A programme for the ESC facility since 1992 had proved effectiveness of the measures. In particular,

he was concerned whether the affected seabed had been restored to its pre-dredged ecological state after the mud pits had been capped.

51. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD said that environmental monitoring data related to the operation of the ESC facility had been collected by an independent party since 1992. The data covered analyses of water quality, sediment quality, marine ecology and benthic recolonization. Results showed that, in line with previous assessments, the facility had not caused unacceptable adverse impact on the nearby environment and ecology. Furthermore, it was found that recolonization by marine organisms had occurred, returning the seabed to a pre-dredged state.

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52. Mr LEE Wing-tat noticed from the Administration's presentation that the EM&A data collected at water quality monitoring stations near the ESC facility had revealed that the levels of dissolved oxygen, though above standard, had in fact been decreasing since January 2010. He was concerned that the trend might be related to the disposal of contaminated sediments at ESC and the marine ecology at nearby areas might be adversely affected in the long run when more contaminated sediments accumulated. He urged the Administration to look into the matter and work out other solutions for disposal of contaminated sediments in the long run. He further requested the Administration to provide supplementary information about the environmental and ecological impacts of the construction and operation of the SB facility, including the impact on water quality in terms of dissolved oxygen, etc.

53. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD explained that the level of dissolved oxygen in sea water was affected by a number of factors, including water temperature and fluctuation in the water quality of nearby areas. In general, the level of dissolved oxygen in sea water was lower in Summer months than in Winter months. In addition, as the ESC facility was close to the Pearl River Estuary, the water quality near ESC would be affected. As such, decrease in the level of dissolved oxygen in the sea water near the ESC facility in recent months might not be attributed to the disposal activities at the facility. He reiterated that the operation of the ESC facility had certain impact on the marine ecology but the impact was environmentally acceptable.

54. Noting that the disposal methodology would involve capping the mud pits with uncontaminated mud after backfilling, Mrs Regina IP asked

whether consideration would be given to placing a layer of shielding material in each mud pit up to the bottom of the pit so that the contaminated sediments would not disperse to the seabed and cause pollution. She also enquired about overseas experience in sealing off the contaminated sediments. Mr Frederick FUNG enquired whether the proposed three-metre capping layer of uncontaminated mud would be sufficient to keep the deposited contaminated sediments steady, taking into account the strength of sea water current. He further expressed concern about the chemical reaction among the various substances in the sediments, which might produce hazardous materials.

55. DS/DEV(Works)2 advised that the proposed capping of the mud pits by the three-metre layer of clean mud would effectively seal off the deposited contaminated sediments from the nearby environment and protect the pits against wave erosion. Water sample testing had been conducted at nearby waters since commissioning of the ESC facility in 1992 with a view to monitoring possible leakage of contaminants from the facility. Results of the testing showed that the water quality had been satisfactory. The same monitoring programme would be implemented for the SB facility. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD said that the main source of leakage would be the upward movement of contaminants due to deep burrowing organisms and the capping method would be effective in controlling the leakage as demonstrated by similar design for facilities overseas. He added that according to the consultant's advice, it was not necessary to surround the pit with shielding materials.

56. Chief Engineer (Fill Management)/CEDD supplemented that different methods were used to prevent leakage of contaminated materials from disposal facilities at sea and from landfills. In the case of landfills, the use of shielding layers would be effective to prevent leakage of contaminated water from the deposited materials to the surrounding environment. Whereas in disposal facilities at sea, the heavy metals adhered to the contaminated sediments were inactive substances which would not disperse to the surroundings and would have little chemical reaction among themselves. Moreover, as the sediments were enclosed by wet muds below the seabed, the contaminated materials would unlikely leak to the adjoining muds. To safeguard against possible leakage of heavy metals from the disposal facility, there would be on-going monitoring of the mud samples collected in the seabed outside the mud pits. Similar to the EM&A programme at the ESC facility, biomonitoring would be conducted at the SB

facility to check changes in contaminant concentrations in the tissues of target biota species living nearby.

57. Responding to a further enquiry by Mr Frederick FUNG on the estimated time required for the seabed above the SB facility to return to its original ecological state after capping, Chief Engineer (Fill Management)/CEDD said that recolonization by marine organisms normally occurred at the site in two to three years after completion of capping works, returning the site to a pre-dredge state.

58. Mr Paul TSE enquired about possible effect of the proposed SB facility on the ecology in Tai Ho, which was near SB. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD advised that the Administration had conducted an Environmental Impact Assessment study using computer modeling to assess the potential impact of the disposal facility on the water quality in nearby locations. Results showed that the environmental impact, which would be in an acceptable level, would be confined to the waters near the SB facility. The impact on the environment of Tai Ho would be transitional and at an acceptable level.

59. Mr CHAN Kam-lam was concerned that works associated with maintenance dredging activities would produce contaminated mud polluting the surrounding sea water. He also enquired about the source of clean mud for capping the mud pits in the disposal facilities and whether the operation of mud pits at ESC would pose difficulties to the reclamation under planning for construction of the third runway of the Hong Kong International Airport.

60. DS/DEV(Works)2 said that appropriate mitigation measures would be taken during dredging works in order to keep the water quality impact to the minimal. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD supplemented that mud of low contamination generated from maintenance dredging and infrastructure projects would be used as capping mud at the mud pits with a view to recycling wastes. As regards reclamation for the proposed third runway, he advised that the works would not be affected by the operation of the ESC facility although it would be necessary to consider other option for consolidating the mud at existing mud pits.

61. Mr Paul TSE said while he understood that the sediments to be disposed of at the proposed SB facility should be free of radioactive substance, as the sediments would be contaminated, he opined that the Administration should provide members with information on the criteria for

determining the level of contamination in sediments as low, moderate and high contamination; and the level of contamination of the sediments to be disposed of at the SB facility. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD advised that the Environment, Transport and Works Bureau Technical Circular (Works) No. 34/2002 provided guidelines for grading of the level of contamination of sediments generated from dredging works with reference to factors, including the presence and concentration of a number of chemical substances in the sediments. While he did not have the detailed information in hand, the criteria for grading were given in the said guidelines.

Selection of the site for the proposed disposal facility

62. Miss Tanya CHAN queried whether SB was an ideal site for providing the disposal facility. Mr Paul TSE enquired about the criteria for selecting SB for the proposed facility.

63. Deputy Head of Civil Engineering Office (Projects & Environmental Management)/CEDD reiterated that SB was the only viable site suitable for providing the disposal facility as revealed by the comprehensive territory-wide site search commissioned by the Administration and conducted by an external consultant. When conducting the search, the consultant had identified within Hong Kong waters 20 potential areas and had made comprehensive evaluation taking into consideration various factors including water quality, depth of water, nearby environment and activities, technology and cost-effectiveness. The results showed that SB was the most suitable site for the proposed disposal facility which had satisfied environmental, engineering and planning requirements. He said that the Administration was exploring other means for management of contaminated sediments in lieu of disposal. It was envisaged that SB would be the last site using seabed mud pits for disposal of contaminated sediments.

Long-term strategy for management of contaminated sediments

64. Referring to the Administration's initiative to explore reclamation outside Victoria Harbour as a means to increase land supply in Hong Kong and the Hong Kong Airport Authority's plan to construct the third runway, Mr WONG Kwok-hing asked whether the disposal of contaminated sediments could be tackled in parallel with the above initiatives in the long run.

65. SDEV advised that reclamation outside Victoria Harbour was a proposal to generate land for development in the long run. Given that the proposal involved a number of controversial issues, a consensus in society to take it forward might not be reached within a short period of time. The Administration's plan was to discuss the subject with the Panel within the current legislative session before launching a wide public engagement exercise to gauge public views. Also, associated work including identification of suitable sites for reclamation, conduct of technical assessments, construction works, etc. would take time. Meanwhile, there was a pressing need to construct the SB facility for handling contaminated sediments as the available capacity of the ESC facility could not meet the forecast disposal demand up to 2016.

66. DS/DEV(Works)2 said that overseas reclamation had used contaminated sediments and inert construction and demolition materials. The study on reclamation outside Victoria Harbour would include the feasibility of near-shore reclamation using contaminated sediments and inert construction and demolition materials. He supplemented that while the SB facility would be the last seabed pits for disposal of contaminated sediments, other solutions for disposal of contaminated materials would be worked out in the long run.

67. Since consultancies and Environmental Impact Assessment studies relating to reclamation outside Victoria Harbour might take a few years to complete, and given the surge in amount of contaminated sediments arising from the implementation of major infrastructure projects requiring disposal, Miss Tanya CHAN was concerned that near-shore reclamation might not offer a solution in a timely manner.

68. DS/DEV(Works)2 replied that the SB facility would be able to meet the demand for disposal of contaminated sediments up to 2016. Subject to public views on the proposal to pursue reclamation outside Victoria Harbour, the Administration would commence near-shore reclamation as soon as possible.

69. Mr WONG Kwok-hing emphasized that the SB facility should be the last facility of its kind in Hong Kong. He reiterated his stance that the Administration had to formulate a long-term strategy to integrate reclamation and disposal of contaminated sediments.

Submission of the proposal to the Public Works Subcommittee

70. Mr KAM Nai-wai said that, in view of the concerns about the ecological impact of the proposed SB facility, members of the Democratic Party had reservation on supporting the upgrading of the project to Category A of the Public Works Programme. Miss Tanya CHAN urged the Administration to provide supplementary information on the environmental issues raised by members before submitting the proposal to the Public Works Subcommittee. The Chairman concluded the discussion. He urged Admin the Administration to provide the information requested by members and to take into account their views, including conducting further consultation with the fisheries industry and concerned District Councils.

VII Operation Building Bright -- an update

(LC Paper No. CB(1)1668/10-11(07) -- Administration's paper on Operation Building Bright -- progress and update

LC Papers No. CB(1)1668/10-11(08) and (09) -- Issues raised at the meeting between Legislative Council Members and Kwun Tong District Council members on 13 May 2010 relating to Operation Building Bright and the Administration's response

LC Paper No. CB(1)1717/10-11(01) -- Issues raised at the meeting between Legislative Council Members and Wan Chai District Council members on 13 January 2011 relating to Operation Building Bright

LC Paper No. CB(1)1668/10-11(10) -- Paper on Operation Building Bright prepared by the Legislative Council Secretariat (Updated background brief))

71. SDEV briefed members on the latest progress of Operation Building Bright ("OBB") and the Administration's proposal to inject additional fund to the programme. She highlighted the following points:

- (a) OBB was launched in 2009 by the Administration with collaboration of the Hong Kong Housing Society ("HKHS") and the Urban Renewal Authority ("URA") to provide subsidies and one-stop technical assistance to help owners of old and dilapidated buildings to carry out repair works for common areas in the buildings with the dual objective to create more job opportunities for the construction sector and improve building safety. The Finance Committee ("FC") had approved a total funding of \$2.2 billion for the Government's contribution to OBB, while HKHS and URA had contributed \$300 million on an equal sharing basis and were responsible for administrating the programme;
- (b) The Financial Secretary had proposed in the 2011-2012 Budget to allocate a further \$1 billion for OBB. With the support of the Panel, the Administration would seek FC's approval on the proposed funding in the second quarter of 2011. It would be the last injection of fund from the Government to OBB. With a total budget of \$3.5 billion, it was envisaged that upon its completion by around 2015, OBB would provide financial assistance for the repair and maintenance of over 3 000 buildings aged 30 years or above and create more than 60 000 employment opportunities related to the construction industry;
- (c) OBB had enhanced building safety and face-lifted the cityscape in many dilapidated areas. The programme was welcomed by many building owners and owners' corporations ("OCs") as demonstrated by the large number of buildings submitting applications and assisted by the Operation. Up to 4 March 2011, a total of 2 020 buildings, namely 1 498 Category 1 target buildings (i.e. buildings with OCs) and 522 Category 2 target buildings (i.e. buildings whose owners had difficulties in co-ordinating repair works), had been included under OBB. The unemployment rate of workers in the decoration, repair and maintenance buildings sub-sector had decreased from the peak of 21.7% in early 2009 to 5.6% at

present, which showed that OBB was effective in creating job opportunities for the construction sector;

- (d) In order to avoid exerting pressure on the job market and construction costs, the Administration would adjust the pace of OBB to spread out the repair works of buildings. Applications under Category 1 target buildings meeting the eligibility criteria would be included in computer ballots for assigning priority in processing the applications. The computer ballot for the second round of applications under Category 1 target buildings was conducted on 22 March 2011 and OCs of the concerned buildings would be informed of the results accordingly; and
- (e) After completion of OBB, the Administration, HKHS and URA would continue to render financial and technical assistance to building owners to help them maintain and repair their buildings through the various financial assistance schemes. HKHS and URA had decided to consolidate the existing five schemes under their operation into the "Integrated Building Maintenance Assistance Scheme" ("IBMAS"). For the two schemes currently funded by the Government, namely the Comprehensive Building Safety Improvement Loan Scheme and the Building Maintenance Grant Scheme for Elderly Owners, the Administration would explore the possibility of further amalgamating them with IBMAS. The Administration would brief the Subcommittee on Building Safety and Related Issue formed under the Panel on the proposal of amalgamating the various financial assistance schemes in due course.

Payment of subsidies under OBB

72. Mr KAM Nai-wai pointed out that there were complaints from building owners about the lengthy and cumbersome procedures for disbursement of the subsidies under OBB and difficulties for owners, who had sold their properties, in getting the reimbursement of their contribution towards repair costs from OCs. He urged the Administration to look into the matters. On the assistance to elderly owners, Mr KAM noted that although each elderly owner-occupier aged 60 or above was eligible for subsidy up to \$40,000 under OBB, elderly owner-occupiers in Central and Western District residing in Chinese tenement buildings (唐樓) could only receive

subsidy up to \$16,000 per unit because their units were as commercial units in the occupation permits of the buildings. He considered such arrangement unfair and urged the Administration to increase flexibility in implementing OBB to assist this group of owners.

73. Mr Jacky IP Kam-shing, Director (Property Management), Hong Kong Housing Society advised that generally grants under OBB were provided to OCs in four instalments. Under normal circumstances, it would be unnecessary for building owners to contribute upfront to the deposits paid to the works contractors. The cases referred to by Mr KAM might involve those buildings of which the OCs/owners had decided to carry out repair works prior to the launch of OBB and hence the owners had already been asked to contribute towards the repair costs. These buildings were subsequently included in OBB. He said that HKHS would look into the matter and take follow-up action if necessary.

74. Regarding the concern about subsidies for elderly owners residing in commercial buildings, SDEV stressed that the Administration was mindful of the need to take care of the interest of elderly owners and therefore had provided more financial assistance to these owners under OBB. Elderly owner-occupiers aged 60 or above could receive a grant to cover the full cost of repair subject to a ceiling of \$40,000 vis-à-vis the ceiling of \$16,000 for non-elderly owners. She agreed to look into the matter referred to by Mr KAM before submitting to FC the proposal for additional funding.

Progress of Operation Building Bright

75. Noting that up to 4 March 2011 only 244 out of the targeted 3 000 buildings had completed the repair works, Mr KAM Nai-wai expressed concern about the slow progress of OBB and queried that the target of completing the programme in 2015 was over-optimistic. With major infrastructure projects in the pipeline and the implementation of Mandatory Building Inspection Scheme and OBB, Mr KAM was concerned that construction costs would continue to soar in the coming years. He asked whether the Administration had measures to address the problem.

76. SDEV said that the completion date of 2015 for OBB was only an estimation taking into account the take up rate and experience of HKHS and URA in operating the programme. She advised that when launching OBB in 2009, the programme was only meant to be a one-off exercise serving as a specific measure to "support enterprises and preserve jobs" amidst the

financial tsunami in late 2008. As a new initiative to provide financial assistance to building owners to carry out repair works for their buildings, it took time for HKHS and URA to develop the necessary operation framework for OBB, and to work out procedures and guidelines for OCs, building professionals and contractors in conducting the various tasks involved, as well as to explain the requirements and details of the programme to them. It was expected that the progress of OBB would pick up gradually.

77. SDEV agreed with Mr KAM's observation on rising costs for labour and construction materials, which had been reflected by the increase in the tender prices for works contracts in the past few years. While workers in the decoration, repair and maintenance buildings sub-sector of the construction industry were able to benefit as evidenced by the increase in median monthly wages from \$9,500 in 2009 to \$10,500 at present, the rise in costs would have impact on the market. The Administration would monitor the situation closely and when necessary, adjust further the pace of commencing repair works under OBB to spread out the projects and hence alleviate possible negative impacts on the market. In response to Mr KAM's further enquiry about the market share of projects subsidised by OBB grants in the decoration, repair and maintenance for buildings sub-sector, SDEV said that while she did not have the detailed information at hand, it was noted that such projects had not accounted for a large proportion of the market share of the construction industry in Hong Kong.

78. Mr WONG Kwok-hing noticed that among the 550 applications received in the second round of applications from OCs for participating in Category 1 target buildings, 34 applications had been rejected. He enquired about the reasons of the rejection. Principal Assistant Secretary (Planning & Lands)³ ("PAS(P&L)") explained that the main reason was the failure for these buildings to meet the eligibility criteria of OBB, including criteria on the type and age of buildings, and the average rateable value of the domestic units therein.

Misconduct and malpractice of building consultants or contractors

79. Mr KAM Nai-wai expressed grave concern about misconduct and malpractice of building consultants or contractors in the execution of repair works. Noting that as at 4 March 2011 a total of 48 cases of suspected non-compliance with the requirements of OBB had been identified, he commented that the problem was serious and enquired whether the Administration would take action to rectify the problem. Mr WONG

Kwok-hing noted from paragraph 17 of the Administration's paper that 23 cases had been referred to the Independent Commission Against Corruption ("ICAC"). He asked whether any prosecution had been instigated for these cases.

80. PAS(P&L) said that most of the 48 suspected non-compliance cases involved minor irregularities. HKHS and URA had issued warning letters and reminders on the cases to request persons concerned to rectify the irregularities. He added that control measures had been put in place to guard against corruption and malpractice in the execution of repair works. Most of the non-compliance cases related to unintended omissions of the procedural requirements of OBB. As regards the 23 cases referred to ICAC, PAS(P&L) said that no prosecution had been instigated so far.

Problem of illegal workers

81. Mr WONG Kwok-hing expressed concern that some works contractors might engage illegal workers for OBB-related works. He called on the Administration to take action to protect the interest of local workers.

82. SDEV took note of Mr WONG's concern and assured members that the Development Bureau would continue to work closely with the Labour Department ("LD") in combating illegal workers in the construction industry. The Administration would remind OCs and building contractors that it would be criminal offence to engage illegal workers in OBB works. On the other hand, the Administration noticed that safety of workers was a growing concern in OBB projects. To address the problem, LD had been stepping up education and publicity measures to enhance awareness of OCs and workers on industrial safety.

83. The Chairman concluded the discussion on the item. He said that the Panel supported the Administration's proposal to inject an additional \$1 billion into OBB and urged the Administration to take note of the views and concerns expressed by members.

VIII Any other business

84. There being no other business, the meeting ended at 5:25 pm.